

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2283 - SB 2554

January 30, 2012

SUMMARY OF BILL: Requires, at least quarterly, insurance companies to check the Social Security Administration's death master file against any in-force life policies or retained asset accounts to determine if benefits on the policy are ripe to be paid to the beneficiary. Requires within 90 days, the insurer to make a good faith effort to determine if the insured is deceased and if benefits are due. Requires the insurer to make a good faith effort to locate and provide claims forms to a beneficiary. Authorizes carriers to use a policyholder's personal information if doing so will aid in the effort to determine if the policyholder is deceased. Prohibits carriers from charging a fee to pay the costs associated with fulfilling these requirements. Directs that the property of an unlocated beneficiary will escheat to the state as unclaimed property. Requires the carrier to notify the Department of Treasury that a beneficiary has not made a claim on the policy benefits despite the carrier's efforts to locate and inform the beneficiary of any rights under the policy. Requires the carrier to remit any unclaimed property to the state Treasurer contemporaneously with the notice.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - An increase in state revenue to the Unclaimed Property Division of the Department of the Treasury may occur as a result of this bill. However, any such increase cannot be quantified with reasonable certainty due to unknown factors.

Assumptions:

- According to the Department of Commerce and Insurance, the handling of complaints and inquiries will not require additional resources, and can be accomplished without an increased appropriation or reduced reversion.
- According to the Department of Treasury, there may be an increase in state revenue to the Unclaimed Property Division after implementing this bill. However, an accurate estimate of the increase cannot be determined due to several unknown factors such as the amount of payable benefits, the number of unlocated beneficiaries, and the number of policyholder deaths. Given the extent of unknown factors, any such increase cannot be quantified with reasonable certainty.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise'.

Lucian D. Geise, Executive Director

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